AMENDED IN SENATE MAY 30, 2000

AMENDED IN SENATE MAY 4, 2000

AMENDED IN SENATE APRIL 6, 2000

SENATE BILL No. 2050

Introduced by Senator Speier

February 25, 2000

An act to add Section 123867 to the Health and Safety Code, ~~to add Sections 12693.326 and 12693.327 of, and to add and repeal Section 12693.325 of, the Insurance Code, and to amend~~ *to add Section 12693.327 to the Insurance Code, and to amend* Sections 14005.30 and 14012 of the Welfare and Institutions Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 2050, as amended, Speier. Children's health care programs.

Existing law creates the California Children's Services (CCS) Program, administered by the State Department of Health Services and each county, under which qualified children with disabilities are provided with medical services.

Existing law creates the Healthy Families Program, administered by the Managed Risk Medical Insurance Board and each county, to arrange for the provision of health care services to children older than 12 months and less than 19 years of age who meet certain criteria.

Existing law provides that an individual enrolled in the Healthy Families Program who has a CCS-eligible medical condition who does not meet the financial eligibility

requirements for the CCS program shall be eligible for the CCS program.

~~This bill would require the Managed Risk Medical Insurance Board, in consultation with the State Department of Health Services, to allow managed care health plans to provide application assistance and to undertake other related activities relative to the Healthy Families Program, until January 1, 2004, as specified. This bill would also require reports to be submitted to the Legislature in this regard.~~

This bill would require the State Department of Health Services to modify the CCS program application in order to permit an applicant to also apply for the Medi-Cal program and the Healthy Families Program. Because each county is responsible for various functions in the administration of both the CCS program and the Healthy Families Program, the bill would create a state-mandated local program. The bill would also require the department to establish procedures for the submission of Healthy Families and Medi-Cal applications via the Internet. This bill would ~~also~~ allow an enrollee in the Healthy Families Program to switch his or her choice of health plan for any reason within the first six months of coverage.

~~This bill would require the State Department of Health Services to modify the CCS program application in order to permit an applicant to also apply for the Healthy Families Program. Because each county is responsible for various functions in the administration of both the CCS program and the Healthy Families Program, the bill would create a state-mandated local program. The bill would also require the department to establish procedures for the submission of Healthy Families and Medi-Cal applications via the Internet.~~

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Existing law provides that, to the extent that federal financial participation is available, Medi-Cal benefits shall be provided to certain low-income individuals and families permitted to receive services at a state's option under specified provisions of federal law.

Existing law further provides that, in implementing this option, the department shall use a specified method of ascertaining the amount of countable resources that the individual or family is permitted to retain.

This bill would, instead, subject to the availability of federal financial participation, require that all resources shall be exempt for those individuals and families to which this federal option applies.

Existing law also provides that, subject to the availability of federal financial participation, a specified income disregard shall be adopted for those persons affected by this federal option.

This bill would, increase the size of the disregard to ~~153%~~ *133%* of the federal poverty level, subject to the availability of federal financial participation. *This provision would become operative only if funds are appropriated for this purpose in the annual budgetary process.*

Because each county is required to make eligibility determinations under the Medi-Cal program, and because this bill would expand eligibility requirements, the bill would create a state-mandated local program.

Existing law provides that except for those persons whose eligibility for Medi-Cal benefits is based upon eligibility under specified public social services programs, reaffirmation of eligibility is required to be filed by a recipient on an annual basis and at other times as required by the department.

This bill would eliminate the authority to require reaffirmation of eligibility at other times.

This bill would also require the Health and Human Services Agency to convene a work group on simplifying and unifying the Medi-Cal and Healthy Families Programs, with a report to be submitted to the Legislature by September 1, 2001.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed $1,000,000 statewide and other procedures for claims whose statewide costs exceed $1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 123867 is added to the Health and Safety Code, to read:

123867. (a) The department shall revise the application for eligibility under this article in order to permit any applicant also to apply for coverage under the Medi-Cal program and the Healthy Families Program.

(b) The department shall establish procedures for the submission of applications for the Healthy Families and Medi-Cal programs via the Internet.

~~SEC. 2. Section 12693.325 is added to the Insurance Code, to read:~~

~~12693.325. The board, in consultation with the State Department of Health Services shall do all of the following to the extent allowed by federal law and regulation and to the extent allowed by the Knox-Keene Health Care Service Plan Act of 1975:~~

~~(a) Allow managed care plans to participate at health fairs and community-based organization events.~~

~~(b) Allow managed care plans to communicate by letter and toll-free telephone number with families seeking information regarding the Healthy Families Program.~~

~~(c) Allow managed care plans to provide application assistance for the Healthy Families Program in the following circumstances:~~

~~(1) To employed individuals who are provided health insurance coverage through their employment but who are not offered health insurance coverage for their dependents.~~

~~(2) To families who are participating in COBRA, or whose COBRA coverage has recently expired, if the families have uninsured children.~~

~~(3) At health fairs located at job sites.~~

~~(4) At job sites where the employer does not offer health insurance.~~

~~(5) To current Medi-Cal enrollees of a managed care plan when the plan receives notification from the State Department of Health Services that the enrollees will no longer be eligible for Medi-Cal or transitional Medi-Cal due to an increase in income. In those instances, plans shall inform families of the differences in benefits and requirements between the Healthy Families Program and the Medi-Cal program.~~

~~(d) Require managed care plans to provide the information and assistance to the families in their chosen language, to inform the families of their right to select an alternative plan and provide information on the plans available to them, and require the plans to complete the Healthy Families Program application and assistance training class.~~

~~(e) Require managed care plans to report to the board the names of employer sites visited, the dates, and qualifying reason for the visit, such as attendance at a health fair.~~

~~(f) This section shall become inoperative on January 1, 2004, and as of that date is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2004, deletes or extends that date.~~

~~SEC. 3. Section 12693.326 is added to the Insurance Code, to read:~~

~~12693.326. The board shall evaluate the impact of the changes required by Section 12693.325, and shall provide interim reports to the Legislature by January 1, 2002, and January 1, 2003. A final report shall be provided by January 1, 2004. To prepare these reports, the board shall code all the application packets used by a managed care plan to record the number of applications received by the board that originated from managed care plans. The number of applications received by the board that~~

~~originated from managed care plans shall also be reported monthly on the board's web site. In addition, the board shall survey those families assisted by plans to determine if the plans are meeting the requirements in Section 12693.325 and if families are being given ample information about the choice of health plans available to them.~~

~~SEC. 4.~~

SEC. 2. Section 12693.327 is added to the Insurance Code, to read:

12693.327. Notwithstanding any other provision of this chapter, an enrollee in the Healthy Families Program shall be allowed to switch his or her choice of health plan within the first six months of coverage for any reason.

~~SEC. 5.~~

SEC. 3. Section 14005.30 of the Welfare and Institutions Code is amended to read:

14005.30. (a) (1) To the extent that federal financial participation is available, Medi-Cal benefits under this chapter shall be provided to individuals eligible for services under Section 1396u-1 of Title 42 of the United States Code, including any options under Section 1396u-1(b)(2)(C) made available to and exercised by the state.

(2) The department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt less restrictive income and resource eligibility standards and methodologies to the extent necessary to allow all recipients of benefits under Chapter 2 (commencing with Section 11200) to be eligible for Medi-Cal under paragraph (1).

(b) To the extent that federal financial participation is available, the department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code as necessary to expand eligibility for Medi-Cal under subdivision (a) by exempting all resources. If federal financial participation is not available to exempt all resources, the department shall continue to establish the amount of countable resources individuals or families are allowed to retain at the same amount medically needy

individuals and families are allowed to retain, except that a family of one shall be allowed to retain countable resources in the amount of three thousand dollars ($3,000).

(c) To the extent federal financial participation is available, the department shall, commencing March 1, 2000, adopt an income disregard for applicants equal to the difference between the income standard under the program adopted pursuant to Section 1931(b) of the federal Social Security Act (42 U.S.C. Sec. 1396u-1) and the amount equal to ~~153~~ *133* percent of the federal poverty level applicable to the size of the family. A recipient shall be entitled to the same disregard, but only to the extent it is more beneficial than, and is substituted for, the earned income disregard available to recipients. *The income disregard provided for in this subdivision shall be operative only to the extent that funds are made available through the annual budgetary process.*

(d) Subdivision (b) shall be applied retroactively to January 1, 1998.

(e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement, without taking regulatory action, subdivisions (a) and (b) of this section by means of an all county letter or similar instruction. Thereafter, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Beginning six months after the effective date of this section, the department shall provide a status report to the Legislature on a semiannual basis until regulations have been adopted.

~~SEC. 6.~~

SEC. 4. Section 14012 of the Welfare and Institutions Code is amended to read:

14012. Reaffirmation of eligibility shall be filed on an annual basis.

~~SEC. 7.~~

SEC. 5. The Health and Human Services Agency shall convene a work group on simplifying and unifying the Medi-Cal and Healthy Families Programs, and shall report to the Legislature by September 1, 2001. The report shall outline the major differences between the two programs, identify any proposed changes that would require a federal waiver, and identify the steps that would need to be taken in order to unify and simplify the programs.

~~SEC. 8.~~

SEC. 6. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

O